

Trans. by E.L. ~~204~~DR

**MASSHEALTH
FINANCIAL REQUIREMENTS**

**Chapter 506
Page 506.000**

Rev. ~~07/01/10~~DR

TABLE OF CONTENTS

Section

506.001: Introduction

506.002: ~~Financial Responsibility~~Household Composition506.003: ~~Countable~~Household Income

506.004: Noncountable Income

506.005: Verification of Income

506.006: Transfer of Income

506.007: Calculation of Financial Eligibility

506.008: Cost-of-Living Adjustment (COLA) Protections

506.009: The One-Time Deductible

506.010: Verification of Medical and Remedial-Care Expenses

506.011: MassHealth-~~Standard, CommonHealth, Family Assistance~~, and the Children's Medical Security Plan (CMSP) Premiums506.012: ~~Family Assistance~~-Premium Assistance Payments506.013: MassHealth Small Business Employee Premium Assistance Program~~506.013~~506.014: Copayments Required by MassHealth~~506.014~~506.015: Copayment and Cost Sharing Requirement Exclusions~~506.015~~506.016: Services Subject to Copayments~~506.016~~506.017: Members Unable to Pay Copayment~~506.017~~506.018: Maximum Cost Sharing~~Calendar Year Maximum~~506.019: Family Assistance Premium Plus Cap

Trans. by E.L. ~~480~~DR

**MASSHEALTH
FINANCIAL REQUIREMENTS**

**Chapter 506
Page 506.001**

Rev. ~~08/01/08~~DR506.001: Introduction

(A) 130 CMR 506.000 describes the rules governing financial eligibility for MassHealth. Financial eligibility includes household composition, countable income, deductibles, calculation of premiums, and copayments for all coverage types described in 130 CMR 505.000: *Coverage Types*. These rules are based on the size of the family group and countable income.

~~(B) The formula for income standards used in the determination of financial eligibility, the deductible income standards, the premiums for Family Assistance, CommonHealth, and the Children's Medical Security Plan (CMSP), and the Family Assistance premium assistance payment formulas are also contained in 130 CMR 506.000.~~

~~(C)~~ Financial eligibility for MassHealth Senior Buy-In and Buy-In is determined in accordance with 130 CMR 519.010: *MassHealth Senior Buy-In*, 519.011: *MassHealth Buy-In*, and 520.000: *Financial Eligibility*.

506.002: ~~Financial Responsibility~~Household Composition

(A) Determination of Household Composition. MassHealth determines household size at the individual member level. MassHealth determines household composition in two ways.

(1) MassHealth Modified Adjusted Gross Income (MAGI) Household Composition.

MassHealth uses the MassHealth MAGI household composition rules to determine member eligibility for the following benefits:

(a) MassHealth Standard, as described in 130 CMR 505.002(B), (C), (D), (F), and (G);

(b) MassHealth CommonHealth, as described in 130 CMR 505.004(C),(D), (F), and (G)

(c) MassHealth CarePlus, as described in 130 CMR 505.008: *MassHealth CarePlus*

(d) MassHealth Family Assistance, as described in 130 CMR 505.005(B) through (E);

(e) MassHealth Limited, as described at 130 CMR 505.006: *MassHealth Limited*;

(f) MassHealth Small Business Employee Premium Assistance, as described in 130

CMR 505.009: *MassHealth Small Business Employee Premium Assistance*; and

(g) Children's Medical Security Plan (CMSP), as described in 130 CMR 522.004:

Children's Medical Security Plan (CMSP).

(2) MassHealth Disabled Adult Household. MassHealth uses the MassHealth Disabled Adult household composition rules to determine member eligibility for the following benefits:

(a) MassHealth Standard, as described in 130 CMR 505.002(E): *Disabled Adults*;

(b) MassHealth CommonHealth, as described in 130 CMR 505.004(C),(D), and (E); and

(c) MassHealth Family Assistance, as described in 130 CMR 505.005(F): *Individuals*

with Breast or Cervical Cancer.

~~In determining eligibility for MassHealth, the gross income of all family group members is counted and compared to an income standard based on the family group size. Caretaker relatives and parents of children under age 19 who are pregnant or who are parents may choose whether or not to be part of the child's family group. Family groups are comprised of families, couples, or individuals, as defined in 130 CMR 501.001.~~

(B) MassHealth MAGI Household Composition.

(1) Taxpayers Not Claimed as a Tax Dependent on His or Her Federal Income Taxes. For an individual who expects to file a tax return for the taxable year in which the initial determination or renewal of eligibility is being made and who is not claimed as a tax dependent by another tax payer, the household consists of

(a) the tax payer;

(b) the tax payer's spouse, if living with him or her;

(c) all persons the tax payer expects to claim as tax dependents; and
(d) if any woman described in 130 CMR 506.002(B)(1)(a), (b), and (c) is pregnant, the number of expected children.

(2) Individuals Claimed as a Tax Dependent on Federal Income Taxes.

(a) For an individual who expects to be ~~is~~ claimed as a tax dependent by another tax payer for the taxable year in which the initial determination or renewal of eligibility is being made and who does not otherwise meet the Medicaid exception rules as described in 130 CMR 506.002(B)(2)(b)(i), (ii), or (iii), the household consists of

- (i) the individual;
- (ii) the individual's spouse, if living with him or her;
- (iii) the tax payer claiming the individual as a tax dependent;
- (iv) any of the tax payer's tax dependents; and
- (v) if any woman described in 130 CMR 506.002(B)(2)(a)(i), (ii), and (iii) is pregnant, the number of expected children.

(b) Medicaid Exceptions. Household size must be determined in accordance with non-tax filer rules for any of the following individuals

- (i) individuals other than the spouse or natural, adopted, or step-child who expect to be claimed as a tax dependent by the tax payer;
- (ii) individuals under age 19 who expect to be claimed by one parent as a tax dependent and are living with both natural, adopted or step parents, but whose natural, adopted, or step-parents do not expect to file a joint tax return;
- (iii) individuals under age 19 who expect to be claimed as a tax dependent by a noncustodial parent. For the purpose of determining custody, MassHealth uses a court order or binding separation, divorce, or custody agreement establishing physical custody controls or, if there is no such order or agreement or in the event of a shared custody agreement, the custodial parent is the parent with whom the child spends most nights; or

(3) Individuals Who Do Not File a Federal Tax Return and Are Not Claimed as a Tax Dependent on a Federal Tax Return. For an individual who does not expect to file a federal tax return and who does not expect to be claimed as a tax dependent on a federal tax return or when any of the exceptions described at 130 CMR 506.002(B)(2)(b)(i), (ii) or (iii) apply, the household consists of the individual and, if living with the individual,

- (a) the individual's spouse;
- (b) the individual's natural, adopted, and step-children under age 19;
- (c) for individuals under age 19, the individual's natural, adoptive, or step-parents and natural, adoptive, or step-siblings under the age of 19; and
- (d) if any woman described in 130 CMR 506.002B(3)(a), (b) and (c) is pregnant, the number of expected children.

(C) MassHealth Disabled Adult Household. The household consist of

- (1) the individual
- (2) the individual's spouse;
- (3) the individual's natural, adopted, and step-children under age 19; and
- (4) if any woman is described in 130 CMR 506.002(C)(1), (2), or (3) is pregnant, the number of expected children.

506.003: Countable Household Income

~~Eligibility is based on the family group's gross countable earned and unearned income as defined in 130 CMR 506.003, except as described in 130 CMR 506.003(C) below.~~

All countable income and allowed deductions used in the MAGI income calculation for both MassHealth MAGI households and MassHealth Disabled Adult households are described in 130 CMR 506.003. These are taxable income and deductions found on the U.S. Tax Return.

(A) ~~Gross~~ Earned Income.

- (1) ~~Gross~~ Earned income is the total amount of taxable compensation received for work or services performed ~~without regard to any~~ less pretax deductions. Earned income may include wages, salaries, tips, commissions, and bonuses.

(2) ~~Gross-e~~Earned taxable income for the self-employed is the total amount of taxable business-annual income from self-employment after deducting annual business expenses listed or allowable on a U.S. Tax Return.

(3) Earned income from S-Corporations or Partnerships is the total amount of taxable annual income after deducting business expenses.

~~(34)~~ Seasonal income is taxable income derived from an income source that is associated with a particular time of the year. Annual gross taxable income is divided by 12 to obtain a monthly taxable -gross income with the following exception: if the applicant or member has a disabling illness or accident during or after the seasonal employment period that prevents the person's continued or future employment, only current taxable income will be considered in the eligibility determination.

(B) ~~Gross~~ Unearned Income.

(1) Gross unearned income is the total amount of income that does not directly result from the individual's own labor ~~before any income deductions are made~~ after allowable deductions on the U.S Tax Return.

(2) Unearned income may includes, but is not limited to, social security benefits, railroad retirement benefits, pensions, annuities, certain trusts, federal veterans' benefits, ~~and~~ interest and dividend income, tax refunds, and gross gambling income.

(C) Rental Income. Rental income is the total amount of taxable gross income less any deductions listed or allowable on an applicant's or member's U.S. Tax Return.

(D) Deductions. The following are allowable deductions from countable income when determining MAGI:

(a) educator expenses;

(b) reservist/performance artist/fee-based government official expenses;

(c) health savings account;

(d) moving expenses;

(e) self-employment tax;

(f) self-employment retirement account

(g) penalty on early withdrawal of savings;

(h) alimony paid to a former spouse;

(i) individual retirement account (IRA);

(j) student loan interest; and

(k) higher education tuition and fees.

Trans. by E.L. ~~462~~DR

**MASSHEALTH
FINANCIAL REQUIREMENTS**

**Chapter 506
Page 506.004**

Rev. ~~06/01/07~~DR506.004: Noncountable ~~Household~~ Income

The following types of income are noncountable in the determination of eligibility for individuals described at 130 CMR 506.002:

(A) ~~income received by a~~ TAFDC, EAEDC, or SSI ~~recipient~~ income;

(B) sheltered workshop earnings;

(C) the portion of federal veterans' benefits identified as aid and attendance benefits, unreimbursed medical expenses, housebound benefits, enhanced benefits, or veterans' benefits that are based on need and are provided by municipalities to resident veterans;

(D) income-in-kind;

(E) roomer and boarder income derived from persons residing in the applicant's or member's principal place of residence; ~~any other income that is excluded by federal laws other than the Social Security Act; and~~

~~(F) most workers' compensation income; income received by independent foster care adolescents described at 130 CMR 505.002(K);~~

(G) pretax contributions to salary reduction plans for payment of dependent care, transportation, and certain health expenses within allowable limits;

(H) child support received;

(I) amounts received as a lump sum, except in the month received;

(J) income received by independent foster care adolescents described at 130 CMR 505.002(H): *Eligibility Requirements for Former Foster-Care Individuals*;

(K) income from children and tax dependents who are not expected to be required to file a tax return under section 6012(a)(I) of the Internal Revenue code for the taxable year in which eligibility for MassHealth is being determined, whether or not the children or the tax dependents files a tax return

(L) any other income that is excluded by federal laws other than the Social Security Act;

506.005: Verification of Income

Verification of income is mandatory. Income may be verified either through electronic data matches or paper verification.

(A) Electronic Data Matches.

(1) Data Matches. MassHealth electronically matches with federal and state data sources described at 130 CMR 502.004: *Matching Information* to verify attested income.

(2) Reasonable Compatibility. The income data received through an electronic data match is compared to the attested income amount to determine if the attested amount and the data source amount are reasonably compatible. If these amounts are reasonably compatible, the attested income is considered verified for purposes of an eligibility determination. To be considered reasonable compatible:

(a) both the attested income and the income from the data sources must be above the

applicable income standard for the individual; or

(b) both the attested income and the income from the data sources must be below the applicable income standard for the individual; or

(c) the attested income and the income from the data sources must be within a ten percent range of each other.

~~(A) Paper Verification. Verification of gross monthly earned income is mandatory and shall include, but not be limited to, the following:~~

If the attested income and the income from the electronic data source are not reasonably compatible, or if the electronic data match is unavailable, paper verification of income is required.

(1) Paper verification of monthly earned income includes, but is not limited to

~~(1a) two~~ recent paystubs;

~~(2b)~~ a signed statement from the employer; or

~~(3c)~~ the most recent U.S. Tax Return.

~~(B2) Verification of gross monthly unearned income is mandatory and shall include, but is not be limited to, the following:~~

~~(1a)~~ a copy of a recent check or paystub showing gross income from the source;

~~(2b)~~ a statement from the income source, where matching is not available; or

~~(3c)~~ the most recent U.S. Tax Return.

~~(C3) Verification of gross monthly income may also include any other reliable evidence of the applicant's or member's earned or unearned income.~~

Trans. by E.L. ~~486~~DR

**MASSHEALTH
FINANCIAL REQUIREMENTS**

**Chapter 506
Page 506.006**

Rev. ~~01/01/08~~DR506.006: Transfer of Income

All ~~family-group~~household members are required to avail themselves of all potential income.

(A) If the MassHealth agency determines that income has been transferred for the primary purpose of establishing eligibility for MassHealth, the income is counted as if it were received.

(B) If the MassHealth agency is unable to determine the amount of available income, the family group remains ineligible until such information is made available.

506.007: Calculation of Financial Eligibility

~~(A) The financial eligibility for coverage types that are determined using the MassHealth MAGI household rules and the MassHealth Disabled Adult household rules is determined by comparing the sum of all countable income for the individual's household as described at 130 CMR 506.002 with the applicable income standard for the specific coverage type. In determining monthly income, the MassHealth agency multiplies average weekly income by 4.333. Five percentage points of the current federal poverty level (FPL) is subtracted from the applicable household total countable income to determine eligibility of the individual under the coverage type with the highest income standard.~~

~~(B) The fGenerally, eligibility is based on 133 percent of the federal poverty level (FPL) for parents, childless adults, and disabled nonworking adults; 150 percent for young adults age 19 to 20; 200 percent of the FPL for pregnant women and persons who are HIV positive; 250 percent of the FPL for individuals with breast or cervical cancer; and 300 percent of the FPL for children, pregnant women who are non-qualified PRUCOL, and certain working adults with access to employer insurance. Disabled persons with income in excess of these applicable standards may be eligible for MassHealth CommonHealth. There are no income caps for premium-based CommonHealth and the Children's Medical Security Plan (CMSP). Financial eligibility standards for each coverage type may be found in 130 CMR 505.000 et seq.~~

~~(A) The financial eligibility for various MassHealth coverage types is determined by comparing the sum of all countable income for the individual's household as described at 130 CMR 506.002 minus five percentage points of the current federal poverty level (FPL) family group's gross monthly income with the applicable income standard for the specific coverage. In determining gross monthly income, the MassHealth agency multiplies average weekly income by 4.333.~~

~~(B) Generally, eligibility is based on 100 percent of the federal poverty level for long-term unemployed adults; 133 percent of the federal poverty level for parents, and disabled nonworking adults; 200 percent of the federal poverty level for pregnant women, persons who are HIV positive, and children who are special status aliens; and 300 percent of the federal poverty level for children who are citizens, nationals, or qualified aliens, as well as for adults working for qualified employers. Disabled persons with income in excess of these applicable standards may be eligible for MassHealth CommonHealth. There are no income caps for premium-based CommonHealth and the Children's Medical Security Plan (CMSP).~~

(C) The monthly federal-poverty-level income standards are determined according to annual standards published in the *Federal Register* using the following formula. The MassHealth agency adjusts these standards annually.

(1) Divide the annual federal-poverty-level income standard as it appears in the *Federal Register* by 12.

(2) Multiply the unrounded monthly income standard by the applicable federal-poverty-level standard.

(3) Round up to the next whole dollar to arrive at the monthly income standards.

506.008: Cost-of-Living Adjustment (COLA) Protections

Applicants and members whose income increases each January as the result of a cost-of-living adjustment (COLA) will have their eligibility determined using their social security income just before the COLA, if such income can be verified, until the subsequent federal-poverty-level adjustment.

Trans. by E.L. ~~442DR~~

**MASSHEALTH
FINANCIAL REQUIREMENTS**

Rev. ~~11/01/03DR~~

Chapter 506
(1 of 2) Page 506.009

506.009: The One-Time Deductible

(A) Eligibility Requirements. Disabled adults described in 130 CMR 505.004(~~EE~~)(1) may establish eligibility for MassHealth CommonHealth by meeting a one-time-only deductible. Once a deductible has been met, the person may be assessed a premium in accordance with the premium schedule in 130 CMR 506.011(~~IB~~). Once the deductible has been met, the person is not required to meet another deductible if there is a lapse in CommonHealth coverage.

(B) Definition of the Deductible. The deductible is the total dollar amount of incurred medical expenses that an applicant, whose ~~family-group~~ MassHealth MAGI household income as described in 130 CMR 506.003 gross income exceeds 133 percent of the federal-poverty level, must be responsible for before MassHealth eligibility is established.

(C) The Deductible Period. The deductible period is a six-month period beginning on the date established in accordance with 130 CMR 505.004(~~IM~~): Medical Coverage Date.

(D) Calculating the Deductible. The amount of the deductible is determined by comparing the MassHealth Disabled Adult household income as described in 130 CMR 506.003 gross monthly income of the family-group to the MassHealth CommonHealth Monthly Deductible Income Standards provided in the chart below and multiplying the difference by six.

**THE MASSHEALTH COMMONHEALTH
MONTHLY DEDUCTIBLE INCOME STANDARDS**

<u>MassHealth Family GroupDisabled Adult MAGIHousehold Size</u>	<u>Income Standards</u>
	542
	670
1	795
2	911
3	1036
4	1161
5	1286
6	1403
7	1528
8	1653
9	+ 133 for each additional person
10	

Trans. by E.L. ~~476~~DRMASSHEALTH
FINANCIAL REQUIREMENTSRev. ~~10/01/07~~DR(2 of 2) Chapter 506
Page 506.009(E) Notification of the Deductible.

(1) ~~Except as provided in 130 CMR 501.003(C),~~ The applicant who has excess monthly income will be informed that he or she is currently ineligible for MassHealth, but may establish eligibility by meeting the deductible. The applicant will be informed in writing of the following:

- (a) the deductible amount; and
- (b) the start and end dates of the deductible period.

(2) A person who meets a deductible will be eligible for MassHealth CommonHealth effective with the begin date of the deductible period.

(F) Persons Deemed to Have Met a Deductible. The following disabled adults will be considered to have met a deductible:

- (1) those who were receiving MassHealth on July 1, 1997 as the result of meeting a deductible; and
- (2) those who were denied eligibility with a deductible before July 1, 1997, but who submit medical bills on or after July 1, 1997 to meet the deductible.

(G) Submission of Bills to Meet the Deductible.

(1) Criteria. To establish eligibility, the applicant must submit verification of medical or remedial bills whose total equals or exceeds the deductible and that meets the following criteria.

- (a) The bill must not be subject to further payment by health insurance or other liable third-party coverage, including the Health Safety Net.
- (b) The bill must be for an allowable medical or remedial expense as provided in 130 CMR 506.009(G)(2). A remedial expense is a nonmedical support service made necessary by the medical condition of any individual in the family group.
- (c) The bill must be unpaid and a current liability, or, if paid, was paid during the six-month deductible period.
- (d) The bill may not be for one of the following services:
 - (i) cosmetic surgery;
 - (ii) rest-home care;
 - (iii) weight-training equipment;
 - (iv) massage therapy;

Trans. by E.L. ~~63~~DRMASSHEALTH
FINANCIAL REQUIREMENTSChapter 506
Page 506.010Rev. ~~10/01/99~~DR

(v) special diets; and

(vi) room and board charges for individuals in residential programs.

(2) ~~Expenses Used to Meeting~~ the Deductible.

(a) Bills to meet the deductible are applied in the following order:

(i) Medicare and other health insurance premiums credited prospectively for the cost of six month's coverage;

(ii) expenses incurred by any member of the ~~MassHealth Disabled Adult family group~~household for necessary medical and remedial-care services that are recognized under state law but are not covered by MassHealth, including guardianship fees and related expenses as defined at 130 CMR 515.001: *Definition of Terms*, and described in and allowed under 130 CMR 520.026(E)(3): *Guardianship Fees and Related Expenses*; and(iii) expenses incurred by any member of the ~~MassHealth Disabled Adult household family group~~ for necessary medical and remedial-care services that are covered by MassHealth.(b) Prospective premiums for Qualified Health Plans cannot be applied to meet the deductible.~~(c)~~ Any bills or portions of bills that are used to meet the deductible are not paid by ~~the~~ MassHealth ~~agency~~ and remain the responsibility of the applicant.506.010: Verification of Medical and Remedial-Care Expenses

(A) Medical or remedial-care expenses must be verified by a bill or written statement from a health-care provider with the exception of expenses for nonprescription drugs, which must be verified by a receipt from the provider of the drug.

(B) Verifications must include all of the following information:

- (1) the type of service provided;
- (2) the name of the person for whom the service was provided;
- (3) the amount charged for the service including the current balance; and
- (4) the date of service.

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**MASSHEALTH
FINANCIAL REQUIREMENTS**

Rev. ~~12/15/09 DR~~

Chapter 506
(1 of 7) Page 506.011

506.011: MassHealth ~~Standard, CommonHealth, Family Assistance,~~ and the Children's Medical Security Plan (CMSP) Premiums

~~(A) MassHealth Standard, CommonHealth, Family Assistance, and the Children's Medical Security Plan (CMSP) Premiums. The MassHealth agency may charge a monthly premium to certain MassHealth Standard, CommonHealth, Family Assistance or CMSP CommonHealth and Family Assistance members who have income above 150 percent of the federal poverty level (FPL), as provided for under this section, and to certain women with breast or cervical cancer who receive MassHealth Standard in accordance with 130 CMR 505.002(H) who have incomes above 150 percent of the federal poverty level. The MassHealth agency may charge a monthly premium to members of the Children's Medical Security Plan (CMSP) who have incomes at or above 200 percent of the federal poverty level FPL. MassHealth and CMSP premiums amounts are calculated based on a member's household modified adjusted gross income (MAGI) and their household size as described in 130 CMR 506.002 and 506.003 and the premium billing family group (PBF) rules as described in 130 CMR 506.011(A). Only one premium per family group will be assessed. Certain members are exempt from paying premiums, in accordance with 130 CMR 506.011(KJ).~~

(A) Premium Billing Family Groups.

- (1) Premium formula calculations for MassHealth and CMSP premiums are based on premium billing family groups (PBF). A PBF is comprised of
 - (a) an individual;
 - (b) a couple who are two persons married to each other according to the rules of the Commonwealth of Massachusetts; or
 - (c) a family who live together and consist of
 - (i) a child or children under the age of 19, any of their children, and their parents;
 - (ii) siblings under the age of 19 and any of their children who live together, even if no adult parent or caretaker is living in the home; or
 - (iii) a child or children under the age of 19, any of their children, and their caretaker relative when no parent is living in the home.
- (2) A child who is absent from the home to attend school is considered as living in the home.
- (3) A parent may be natural, adoptive, or a step-parent. Two parents are members of the same PBF as long as they are mutually responsible for one or more children who live with them.
- (4) MassHealth and CMSP premiums for children with a MassHealth MAGI household income at or below 300 percent of the federal poverty level (FPL) have their premium amounts determined using the lowest percentage of the FPL of all children in the PBF. If a child in the PBF has an income percentage of the FPL at or below 150 percent of the FPL, premiums for all children in the PBF are waived.
- (5) MassHealth and CMSP premiums for children with a MassHealth MAGI household income greater than 300 percent of the FPL and all premiums for young adults and adults are calculated using the individual's FPL and the corresponding premium amount as described in 130 CMR 506.011.
- (6) For individuals within a PBF that is approved for more than one premium billing coverage type, the following apply.
 - (a) When the PBF contains members in more than one coverage type or program, including CMSP, and who are responsible for a premium or required member contribution, the PBF is responsible for only the higher premium or required member contribution.
 - (b) When the PBF includes a parent or caretaker relative who is paying a premium for and is receiving Qualified Health Plan with Premium Tax Credits, the premiums for

children in the PBFG are waived once the parent or caretaker relative enrolls in and pays for a QHP.

~~(1) MassHealth Standard premiums for women with breast and cervical cancer are based on family group gross countable income and family group size as it relates to the federal poverty guidelines.~~

~~(2) MassHealth CommonHealth premiums are based on family group gross countable income, family group size as it relates to the federal poverty level income guidelines, and whether or not the member has other health insurance.~~

~~(3) MassHealth Family Assistance premiums for the purchase of medical benefits, as described in 130 CMR 505.005(E), are based on the number of eligible members in the family group.~~

~~(4) CMSP premiums are based on family group countable income and family group size as it relates to the federal poverty level income guidelines.~~

~~(5) When the family group contains members in more than one coverage type or program, including CMSP, who are responsible for a premium or member share, the family group is responsible for only the higher premium amount or member share.~~

~~B) Premium Payments. MassHealth may charge monthly premiums to persons described in 130 CMR 501.006; 505.002(C)(2), (F)(2), and (H); 505.004(B) through (E); 505.005(B)(3), (E) through (G); and 522.004(C).~~

~~(1) Persons described in 130 CMR 501.006, 505.002(C)(2), (F)(2), and (H), 505.004(B) through (E), 505.005(B)(3), (E) through (G), and 522.004(C) who are assessed a premium are responsible for monthly premium payments beginning with the calendar month following the date of MassHealth's eligibility determination, unless the member contacts the MassHealth agency, by telephone or in writing, and requests a voluntary withdrawal within 60 calendar days from the date of the eligibility notice and premium notification.~~

Trans. by E.L. ~~492DR~~MASSHEALTH
FINANCIAL REQUIREMENTSChapter 506
Page 506.011
(2 of 7)Rev. ~~12/15/09DR~~

~~(2) Persons described in 130 CMR 505.004(C) who are assessed a premium, are responsible for monthly premium payments beginning with the calendar month following the date the deductible period ends, or the calendar month following the month in which the member has verified that the deductible has been met, whichever is later.~~

~~(3) Members who are assessed a revised premium as the result of a reported change, or any adjustment in the premium schedule are responsible for the new premium payment beginning with the calendar month following the reported change.~~

~~(4) Members who have been assessed premiums but who are subsequently determined eligible for a coverage type other than Standard, CommonHealth, Family Assistance, or CMSP are not charged a premium for the calendar month in which the coverage type changes or thereafter.~~

~~(C) Delinquent Premium Payments.~~

~~(1) Termination for Delinquent Premium Payments. If MassHealth has billed a member for a premium payment, and the member does not pay the entire amount billed within 60 days of the date on the bill, then the member's eligibility for benefits is terminated. The member will be sent a notice of termination before the date of termination. The member's eligibility will not be terminated if, before the date of termination, the member~~

~~(a) pays all delinquent amounts that have been billed;~~

~~(b) establishes a payment plan and agrees to pay the current premium being assessed and the payment plan arrangement amount;~~

~~(c) is eligible for a nonpremium coverage type; or~~

~~(d) is eligible for a MassHealth coverage type that requires a premium payment and the delinquent balance is from a CMSP benefit.~~

~~(2) Default on a Payment Plan.~~

~~(a) If the member does not make payments in accordance with the payment plan within 30 days of the date on the bill, the member's payment plan is terminated and the past due balance is due in full.~~

~~(b) If the member is in a premium paying coverage type and does not pay the past due amount within 60 days of the date on the bill, the member's eligibility is terminated.~~

~~(c) If a member has defaulted on a payment plan twice within a 24 month period, the member must pay in full any past due balances before they can be determined eligible for a coverage type that requires a premium payment.~~

~~(d) A member may be granted additional payment plans if the member has been approved for a hardship waiver as described at 130 CMR 506.011(F).~~

Trans. by E.L. **492DR****MASSHEALTH
FINANCIAL REQUIREMENTS****Chapter 506
Page 506.011
(3 of 7)**Rev. **12/15/09DR**

~~(3) Referral to State Intercept Program for Collection of Delinquent Payment. The MassHealth agency may refer a member who is 150 days or more in arrears to the State Intercept Program (SIP) in compliance with 815 CMR 9.00: Collection of Debts. Members will not be referred to SIP for collection of a past due balance if they have and are currently paying on the payment plan arrangement that was approved by the MassHealth agency.~~

~~(D) Reactivating Coverage Following Termination When a Member Has a Past Due Balance.~~

~~(1) If no waiting list has been established pursuant to 130 CMR 501.003(C) and (D) or 522.004(H), after the member has paid in full all payments due, or has established a payment plan with MassHealth, MassHealth will reactivate coverage.~~

~~(2) If a waiting list has been established, children (through age 18) eligible for CMSP or adults (aged 19 or older) whose eligibility has been terminated will be placed on the waiting list upon payment of all payments due. They will not be allowed to reenroll until MassHealth is able to reopen enrollment for those placed on the waiting list. When MassHealth is able to open enrollment for those on the waiting list, their eligibility will be processed in the order they were placed on the waiting list.~~

~~(E) Waiver of Outstanding Premium Payments. Outstanding premium balances that are older than 24 months are waived.~~

~~(F) Waiver or Reduction of Premiums for Extreme Financial Hardship.~~

~~(1) Extreme financial hardship means that the member has shown to the satisfaction of the MassHealth agency that the member:~~

~~(a) is homeless, or is more than 30 days in arrears in rent or mortgage payments, or has received a current eviction or foreclosure notice;~~

~~(b) has a current shut-off notice, or has been shut off, or has a current refusal to deliver essential utilities (gas, electric, oil, water, or telephone);~~

~~(c) has medical and/or dental expenses, totaling more than 7.5% of the family group's gross annual income, that are not subject to payment by the Health Safety Net, and have not been paid by a third party insurance, including MassHealth (in this case "medical and dental expenses" means any outstanding medical or dental services debt that is currently owed by the family group, regardless of the date of service); or~~

~~(d) has experienced a significant, unexpected increase in essential expenses within the last six months.~~

Trans. by E.L. ~~192DR~~MASSHEALTH
FINANCIAL REQUIREMENTSChapter 506
Page 506.011
(4 of 7)Rev. ~~12/15/09DR~~

~~(2) If the MassHealth agency determines that the requirement to pay a premium results in extreme financial hardship for a member, the MassHealth agency may, in its sole discretion~~

~~(a) waive payment of the premium or reduce the amount of the premiums assessed to a particular family; or~~

~~(b) grant a full or partial waiver of a past due balance. Past due balances include all or a portion of a premium accrued before the first day of the month of hardship; or~~

~~(c) both 130 CMR 506.011(G)(2)(a) and (b).~~

~~(3) Hardship waivers may be authorized for six months. At the end of the six month period, the member may submit another hardship application.~~

~~(a) The six month time period begins on the first day of the month in which the hardship application and supporting documentation is received by the MassHealth agency.~~

~~(b) The six month time period may be retroactive to the first day of the third calendar month before the month of hardship application.~~

~~(4) If a hardship waiver is granted and past due balances are not waived, the MassHealth agency will automatically establish a payment plan for the member for any past due balances.~~

~~(a) The duration of the payment plan will be determined by the MassHealth agency. The minimum monthly payment on the payment plan will be \$5.~~

~~(b) The member must make full monthly payments on the payment plan for the hardship waiver to stay in effect. Failure to comply with the established payment plan will terminate the hardship waiver.~~

~~(G) Voluntary Withdrawal. If a member wishes to voluntarily withdraw from receiving MassHealth coverage, it is the member's responsibility to notify the MassHealth agency of his or her intention by phone or, preferably, in writing. Coverage may continue through the end of the calendar month of withdrawal. The member is responsible for the payment of all premiums up to and including the calendar month of withdrawal, unless the request for voluntary withdrawal is made in accordance with 130 CMR 506.011(B)(1).~~

Trans. by E.L. ~~492DR~~

**MASSHEALTH
FINANCIAL REQUIREMENTS**

Chapter 506
Page 506.011
(5 of 7)

Rev. ~~12/15/09DR~~

~~(H) Change in Premium Calculation. The premium amount is recalculated when the MassHealth agency is informed of changes in income, family group size, or health insurance status, and whenever an adjustment is made in the CommonHealth premium schedule, the Standard premium schedule for women with breast or cervical cancer, the Family Assistance premium amount for the purchase of medical benefits schedule, or the CMSP premium schedule.~~

~~(I) The Monthly MassHealth Standard, CommonHealth, and Certain Family Assistance Members Premium Schedules. 130 CMR 506.011(I) provides the formulas that the MassHealth agency uses to determine the monthly premiums for people who are receiving MassHealth Standard or CommonHealth, and for certain MassHealth Family Assistance members who are HIV positive.~~

~~(B) MassHealth and Children's Medical Security Plan (CMSP) Premium Formulas.~~

- ~~(1) The premium formula for MassHealth Standard members with breast or cervical cancer (BCC) whose eligibility is described at 130 CMR 505.002(F): *Individuals with Breast or Cervical Cancer* is as follows.~~

<u>Standard Breast and Cervical Cancer Premium Formula</u>	
<u>% of Federal Poverty Level (FPL)</u>	<u>Monthly Premium Cost</u>
<u>Above 150% to 160%</u>	<u>\$15</u>
<u>Above 160% to 170%</u>	<u>\$20</u>
<u>Above 170% to 180%</u>	<u>\$25</u>
<u>Above 180% to 190%</u>	<u>\$30</u>
<u>Above 190% to 200%</u>	<u>\$35</u>
<u>Above 200% to 210%</u>	<u>\$40</u>
<u>Above 210% to 220%</u>	<u>\$48</u>
<u>Above 220% to 230%</u>	<u>\$56</u>
<u>Above 230% to 240%</u>	<u>\$64</u>
<u>Above 240% to 250%</u>	<u>\$72</u>

- ~~(2) The premium formulas for MassHealth CommonHealth members whose eligibility is described in 130 CMR 505.004(B) through (G) are as follows.~~

- ~~(a) The premium formula for children with MassHealth MAGI household income between 150 and 300 percent of the FPL is provided below.~~

<u>CommonHealth Full Premium Formula</u> <u>Children between 150% and 300%</u>	
<u>% of Federal-Poverty Level (FPL)</u>	<u>Monthly Premium Cost</u>
<u>Above 150% to 200%</u>	<u>\$12 per child (\$36 PBFG maximum)</u>
<u>Above 200% to 250%</u>	<u>\$20 per child (\$60 PBFG maximum)</u>
<u>Above 250% to 300%</u>	<u>\$28 per child (\$84 PBFG maximum)</u>

- ~~(b4) The Monthly Full Premium Formula for young adults with household income above 150 percent of the FPL, adults with household income above 150 percent of the FPL, and children with household income above 300 percent of the FPL is provided below. The full premium is charged to members who have no health insurance and to members for whom the MassHealth agency is paying a portion of their health-insurance premium. CommonHealth and Certain Family Assistance Members Receiving Benefits under 130 CMR 505.005(F) and (G): Full payment is required of members who have no health insurance and of members for whom~~

the MassHealth agency is paying a portion of their health insurance premium. The full premium formula is provided below:

FULL PREMIUM FORMULA <u>CommonHealth Full Premium Formula</u> <u>Young Adults and Adults above 150% of the FPL and</u> <u>Children above 300% of the FPL</u>		
Base Premium	Additional Premium Cost	Range of Monthly Premium Cost
Above 150% FPL— start at \$15	Add \$5 for each additional 10% FPL until 200% FPL	\$15 — \$35
Above 200% FPL— start at \$40	Add \$8 for each additional 10% FPL until 400% FPL	\$40 — \$192
Above 400% FPL— start at \$202	Add \$10 for each additional 10% FPL until 600% FPL	\$202 — \$392
Above 600% FPL— start at \$404	Add \$12 for each additional 10% FPL until 800% FPL	\$404 — \$632
Above 800% FPL— start at \$646	Add \$14 for each additional 10% FPL until 1000%	\$646 — \$912
Above 1000% FPL— start at \$928	Add \$16 for each additional 10% FPL	\$928 + greater

(2) Monthly Full Premium Formula for CommonHealth Children with Income Above 150 Percent to 300 Percent of the Federal Poverty Level. The premium formula is provided below. If income is above 300% of the federal poverty level, refer to the “Full Premium Formula” chart in 130 CMR 506.011(1)(1).

FULL PREMIUM FORMULA	
% of Federal Poverty Level (FPL)	Premium Cost
Above 150% to 200%	\$12 per child (\$36 per family group maximum)
Above 200% to 250%	\$20 per child (\$60 per family group maximum)
Above 250% to 300%	\$28 per child (\$84 per family group maximum)

Trans. by E.L. **492DR**

**MASSHEALTH
FINANCIAL REQUIREMENTS**

Rev. **12/15/09DR**

Chapter 506
Page 506.011
(6 of 7)

~~(3c) Monthly Supplemental Premium Formula. A lower~~The supplemental premium formula ~~payment for young adults, adults, and children is provided below. A lower supplemental premium is required of~~charged to members who have health insurance to which the MassHealth agency does not contribute. ~~The supplemental premium formula is provided below. Members receiving a premium assistance payment from the MassHealth agency are not eligible for the supplemental premium rate.~~

<u>CommonHealth</u> Supplemental Premium Formula	
% of Federal- <u>Poverty Level (FPL)</u>	<u>Monthly</u> Premium Cost
Above 150% to 200%	60% of full premium
Above 200% to 400%	65% of full premium
Above 400% to 600%	70% of full premium
Above 600% to 800%	75% of full premium
Above 800% to 1000%	80% of full premium
Above 1000%	85% of full premium

~~(d) CommonHealth members who are eligible to receive a premium assistance payment, as described in 130 CMR 506.012, that is less than the full CommonHealth premium receive their premium assistance payment as an offset to the CommonHealth premium assistance bill and are responsible for the difference.~~

~~(4) Monthly Premium Schedule for Standard for Women with Breast or Cervical Cancer (BCC). Women with breast or cervical cancer who are described at 130 CMR 505.002(H) and have income above 150 percent of the federal poverty level in accordance with DPH requirements as certified by DPH to the MassHealth agency are assessed a monthly premium in accordance with the following premium schedule.~~

<u>BCC PREMIUM SCHEDULE</u>	
% of Federal Poverty Level (FPL)	Premium Cost
Above 150% to 160%	\$15
Above 160% to 170%	\$20
Above 170% to 180%	\$25
Above 180% to 190%	\$30
Above 190% to 200%	\$35
Above 200% to 210%	\$40
Above 210% to 220%	\$48
Above 220% to 230%	\$56
Above 230% to 240%	\$64
Above 240% to 250%	\$72

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**MASSHEALTH
FINANCIAL REQUIREMENTS**

Rev. **10/01/14DR**

Chapter **506**
(7 of 7) Page **506.011**

~~(J3) The premium formula for Monthly MassHealth Family Assistance Premiums for the Purchase of Medical Benefits for Children, whose eligibility is described at 130 CMR 505.005(B) and (E) is as follows.~~

~~MassHealth Family Assistance members for whom the MassHealth agency purchases medical benefits under 130 CMR 505.005(B)(3) and (E) are assessed a monthly premium in accordance with the following premium schedule.~~

Family Assistance for Children Premium SCHEDULE Formula	
% of Federal Poverty Level (FPL)	Monthly Premium Cost
Above 150% to 200%	\$12 per child (\$36 family group PBFG maximum)
Above 200% to 250%	\$20 per child (\$60 family group PBFG maximum)
Above 250% to 300%	\$28 per child (\$84 family group PBFG maximum)

~~(K) Children's Medical Security Plan (CMSP) Premiums.~~

~~(4) The premium formulas for MassHealth Family Assistance HIV-positive adults whose eligibility is described at 130 CMR 505.005(E): Eligibility Requirements for HIV-Positive Individuals Who Are Citizens or Qualified Aliens with Modified Adjusted Gross Income of the MassHealth MAGI Household Greater than 133 and Less than or Equal to 200 Percent of the Federal Poverty Level are as follows.~~

- ~~(a) The full premium formula for Family Assistance HIV-positive adults between 150 and 200 percent of the FPL is charged to members who have no other health insurance and to members for whom the MassHealth agency is paying a portion of their health-insurance premium. The full premium formula is provided below.~~

Family Assistance for HIV+ Adults Premium Formula	
% of Federal Poverty Level (FPL)	Monthly Premium Cost
<u>Above 150% to 160%</u>	<u>\$15</u>
<u>Above 160% to 170%</u>	<u>\$20</u>
<u>Above 170% to 180%</u>	<u>\$25</u>
<u>Above 180% to 190%</u>	<u>\$30</u>
<u>Above 190% to 200%</u>	<u>\$35</u>

- ~~(b) The supplemental premium formula for Family Assistance HIV-positive adults is charged to members who have other health insurance to which the MassHealth agency does not contribute. A lower supplemental premium is charged to these members. Members receiving a premium assistance payment from the MassHealth agency are not eligible for the supplemental premium rate. The supplemental formula is provided below.~~

Family Assistance for HIV+ Adults Premium Formula Supplemental Premium Formula	
% of Federal Poverty Level (FPL)	Monthly Premium Cost
<u>Above 150% to 200%</u>	<u>60% of full premium</u>

- ~~(5) The premium formula for MassHealth Family Assistance for non-qualified PRUCOL (NQP) adults, as described in 130 CMR 505.005 (D): Eligibility Requirements for Adults and Young~~

Adults Aged 19 and 20 Who Are Nonqualified PRUCOLs with Modified Adjusted Gross Income of the MassHealth MAGI Household at or below 300 Percent of the Federal Poverty Level is based on MassHealth MAGI household income and MassHealth MAGI household size as it relates to the FPL income guidelines and PBFG rules, as described at 130 CMR 506.011(B). The premium formula can be found at 956 CMR 12.00.

Family Assistance for NQP Adults Premium Formulae	
% of Federal Poverty Level (FPL)	Premium Cost
Waiting for CCA procurement	

(6) The premium formula for Children's Medical Security Plan (CMSP) members, as described in 130 CMR 522.004: Children's Medical Security Plan (CMSP) is as follows.

CMSP Premium Schedule	
% of Federal-Poverty Level (FPL)	<u>Monthly</u> Premium Cost
Greater than or equal to 200%, but less than or equal to 300-9%	\$7.80 per child per month; family group <u>PBFG</u> maximum \$23.40 per month
Greater than or equal to 304-0.01%, but less than or equal to 400.0%	\$33.14 per <u>PBFG</u> per month
Greater than or equal to 400.1%	\$64.00 per child per month

(C) Premium Payment Billing.

(1) With the exception of persons described in 130 CMR 505.004(C): Eligibility Requirements for Children and Young Adults Who Are Nonqualified PRUCOLs with Modified Adjusted Gross Income of the MassHealth MAGI Household at or below 150 Percent of the Federal Poverty Level, MassHealth members who are assessed a premium are responsible for monthly premium payments beginning with the calendar month following the date of the MassHealth agency's eligibility determination.

(2) Persons described in 130 CMR 505.004(C): Eligibility Requirements for Children and Young Adults Who Are Nonqualified PRUCOLs with Modified Adjusted Gross Income of the MassHealth MAGI Household at or below 150 Percent of the Federal Poverty Level who are assessed a premium, are responsible for monthly premium payments beginning with the calendar month following the date the deductible period ends, or the calendar month following the month in which the member has verified that the deductible has been met, whichever is later.

(3) Members who are assessed a revised premium as the result of a reported change, or any adjustment in the premium schedule are responsible for the new premium payment beginning with the calendar month following the reported change.

(4) Members who have been assessed premiums but who are subsequently determined eligible for MassHealth benefits that do not require a premium will not be charged a premium for the calendar month in which the coverage type changes or thereafter.

(5) If the member contacts the MassHealth agency by telephone, in writing, or online and requests a voluntary withdrawal within 60 calendar days from the date of the eligibility notice and premium notification, MassHealth premiums are waived.

(D) Delinquent Premium Payments.

(1) Termination for Delinquent Premium Payments. If the MassHealth agency has billed a member for a premium payment, and the member does not pay the entire amount billed within 60 days of the date on the bill, the member's eligibility for benefits is terminated. The member will be sent a notice of termination before the date of termination. The member's eligibility will not be terminated if, before the date of termination, the member

(a) pays all delinquent amounts that have been billed;

(b) establishes a payment plan and agrees to pay the current premium being assessed and the payment-plan-arrangement amount;

(c) is eligible for a nonpremium coverage type; or

(d) is eligible for a MassHealth coverage type that requires a premium payment and the

delinquent balance is from a CMSP benefit.

(2) Default on a Payment Plan.

(a) If the member does not make payments in accordance with the payment plan within 30 days of the date on the bill, the member's payment plan is terminated and the past due balance is due in full.

(b) If the member is in a premium-paying coverage type and does not pay the past due amount within 60 days of the date on the bill, the member's eligibility is terminated.

(c) If a member has defaulted on a payment plan twice within a 24-month period, the member must pay in full any past due balances before they can be determined eligible for a coverage type that requires a premium payment.

(d) A member may be granted additional payment plans if the member has been approved for a hardship waiver as described at 130 CMR 506.011(F).

(3) Referral to State Intercept Program for Collection of Delinquent Payment. The MassHealth agency may refer a member who is 150 days or more in arrears to the State Intercept Program (SIP) in compliance with 815 CMR 9.00: *Collection of Debts*. Members will not be referred to SIP for collection of a past due balance if they have and are currently paying on the payment-plan arrangement that was approved by the MassHealth agency.

(E) Reactivating Coverage Following Termination When a Member Has a Past-Due Balance.

(1) Except as provided in 130 CMR 506.011(E)(2), after the member has paid in full all payments due, or has established a payment plan with MassHealth, the MassHealth agency will reactivate coverage.

(2) For children under age 19, coverage may be reactivated after 90 days from the date termination upon request, regardless of any outstanding payments due.

(F) Waiver of Outstanding Premium Payments. -Outstanding premium balances that are older than 24 months are waived.

(G) Waiver or Reduction of Premiums for Extreme Financial Hardship.

(1) Extreme financial hardship means that the member has shown to the satisfaction of the MassHealth agency that the member:

(a) is homeless, or is more than 30 days in arrears in rent or mortgage payments, or has received a current eviction or foreclosure notice;

(b) has a current shut-off notice, or has been shut off, or has a current refusal to deliver essential utilities (gas, electric, oil, water, or telephone);

(c) has medical and/or dental expenses, totaling more than 7.5% of the family group's gross annual income, that are not subject to payment by the Health Safety Net, and have not been paid by a third-party insurance, including MassHealth (in this case "medical and dental expenses" means any outstanding medical or dental services debt that is currently owed by the family group, regardless of the date of service); or

(d) has experienced a significant, unexpected increase in essential expenses within the last six months.

(2) If the MassHealth agency determines that the requirement to pay a premium results in extreme financial hardship for a member, the MassHealth agency may, in its sole discretion

(a) waive payment of the premium or reduce the amount of the premiums assessed to a particular family; or

(b) grant a full or partial waiver of a past due balance. Past due balances include all or a portion of a premium accrued before the first day of the month of hardship; or

(c) both 130 CMR 506.011(H)(2)(a) and (b).

(3) Hardship waivers may be authorized for six months. At the end of the six-month period, the member may submit another hardship application.

(a) The six-month time period begins on the first day of the month in which the hardship application and supporting documentation is received by the MassHealth agency.

(b) The six-month time period may be retroactive to the first day of the third calendar month before the month of hardship application.

(4) If a hardship waiver is granted and past-due balances are not waived, the MassHealth agency will automatically establish a payment plan for the member for any past-due balances.

(a) The duration of the payment plan will be determined by the MassHealth agency. The minimum monthly payment on the payment plan will be \$5.

(b) The member must make full monthly payments on the payment plan for the hardship waiver to stay in effect. Failure to comply with the established payment plan will terminate the hardship waiver.

(H) Voluntary Withdrawal. If a member wishes to voluntarily withdraw from receiving MassHealth coverage, it is the member's responsibility to notify the MassHealth agency of his or her intention by telephone, in writing, or online. Coverage may continue through the end of the calendar month of withdrawal. The member is responsible for the payment of all premiums up to and including the calendar month of withdrawal, unless the request for voluntary withdrawal is made in accordance with 130 CMR 506.011(C)(5).

(I) Change in Premium Calculation. The premium amount is recalculated when the MassHealth agency is informed of changes in the household's MAGI, household composition, or health-insurance status, and whenever an adjustment is made to any of the MassHealth premium formula tables in 130 CMR 506.011(B).

(LJ) Members Exempted from Premium Payment. The following members are exempt from premium payments:

- (1) MassHealth members who have verified that they are American Indians or Alaska Natives who have received or are eligible to receive an item or service furnished by the Indian Health Service, an Indian tribe, a tribal organization, or an urban Indian organization, or by a non-Indian health-care provider through referral, in accordance with federal law;
- (2) MassHealth members with MassHealth MAGI household income or MassHealth Disabled Adult household income ~~family group income~~ at or below 150 percent of the federal-poverty level;
- (3) pregnant women and children under age one receiving MassHealth Standard; and
- (4) children when a parent or guardian in the PBFG is eligible for a Qualified Health Plan (QHP) with Premium Tax Credits (PTC) who has enrolled in and has begun paying for a QHP.
- (5) children for whom child welfare services are made available under Part B of Title IV of the Social Security Act on the basis of being a child in foster care and individuals receiving benefits under Part E of that title, without regard to age;
- (6) individuals receiving hospice care; and
- (7) independent former foster care children under age 21.

~~family group is paying a premium for and is receiving Commonwealth Care. The premiums for children will be waived after the parent or guardian has enrolled in a Commonwealth Care health plan and is paying a Commonwealth Care health plan premium, but the premiums for children will not be waived before the parent or guardian has enrolled in a Commonwealth Care health plan.~~

Trans. by E.L. ~~448DR~~

**MASSHEALTH
FINANCIAL REQUIREMENTS**

Rev. ~~07/01/06DR~~

Chapter 506
Page 506.012
(1 of 5)

506.012: ~~Family Assistance~~ Premium Assistance Payments

(A) ~~Requirements~~. Coverage Types. Premium assistance payments are available to MassHealth members who are eligible for the following coverage types:

- (1) MassHealth Standard, as described in 130 CMR 505.002: *MassHealth Standard*;
- (2) MassHealth Standard for Kaileigh Mulligan, as described in 130 CMR 519.007: *Individuals Who Would Be Institutionalized*;
- (3) MassHealth CommonHealth, as described in 130 CMR 505.004: *MassHealth CommonHealth*;
- (4) MassHealth CarePlus, as described in 130 CMR 505.008: *MassHealth CarePlus*;
- (5) MassHealth Family Assistance for HIV-positive adults and HIV-positive young adults, as described in 130 CMR 505.005(E): *Eligibility Requirements for HIV-Positive Individuals Who Are Citizens or Qualified Aliens with Modified Adjusted Gross Income of the MassHealth MAGI Household Greater than 133 and Less than or Equal to 200 Percent of the Federal Poverty Level*;
- (6) MassHealth Family Assistance for disabled adults whose Disabled Adult MassHealth household income is at or below 100 percent of the FPL and who are qualified aliens barred, immigrants lawfully present, and non-qualified PRUCOLs, as described in 130 CMR 505.005(C): *Eligibility Requirements for Children and Young Adults Who Are Nonqualified PRUCOLs with Modified Adjusted Gross Income of the MassHealth MAGI Household at or below 150 Percent of the Federal Poverty Level*;
- (7) MassHealth Family Assistance for children under age 19 and young adults aged 19 and 20 whose household MAGI is at or below 150 percent of the FPL and who are non-qualified PRUCOLs, as described in 130 CMR 505.005(C): *Eligibility Requirements for Children and Young Adults Who Are Nonqualified PRUCOLs with Modified Adjusted Gross Income of the MassHealth MAGI Household at or below 150 Percent of the Federal Poverty Level*;
- (8) MassHealth Family Assistance for children under age 19 whose household MAGI is between 150 percent and 300 percent of the FPL and who are citizens, protected aliens, qualified aliens barred, immigrants lawfully present, and non-qualified PRUCOLs, as described in 130 CMR 505.005(C): *Eligibility Requirements for Children and Young Adults Who Are Nonqualified PRUCOLs with Modified Adjusted Gross Income of the MassHealth MAGI Household at or below 150 Percent of the Federal Poverty Level*; and
- (9) MassHealth Small Business Employee Premium Assistance Program, the rules and requirements of which are described at 130 CMR 506.013.

(B) Criteria. MassHealth may provide a premium assistance payment to an eligible member when all of the following criteria are met.

- (1) The health-insurance coverage meets the Basic Benefit Level (BBL) as defined in 130 CMR 501.001: *Definition of Terms*.
- (2) The health-insurance policy holder is either in the PBFG or resides with the individual who is eligible for the premium assistance benefit.
- (3) At least one person covered by the health-insurance policy is eligible for MassHealth benefits as described in 130 CMR 506.012(A) and the health-insurance policy is a policy that meets the criteria of the MassHealth coverage type for premium assistance benefits as described in 130 CMR 506.012(C).

(C) Eligibility. Eligibility for MassHealth premium assistance is determined by the individual's coverage type and the type of private health insurance the individual has or has access to. MassHealth has two categories of health insurance for which it may provide premium assistance.

- (1) Employer-Sponsored Insurance (ESI) 50% Plans are employer-sponsored health-

insurance plans to which the employer contributes at least 50% towards the monthly premium amount. MassHealth provides premium assistance for individuals with ESI 50% Plans who are eligible for MassHealth coverage types as described in 130 CMR 506.012(A).
(2) Other Group Insurance Plans are employer-sponsored health-insurance plans to which the employer contributes less than 50% towards the monthly premium amount, Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage, and other group health insurance. MassHealth provides premium assistance for individuals with Other Group Health Insurance Plans who are eligible for MassHealth coverage types as described in 130 CMR 506.012(A), except for individuals described in 130 CMR 506.012(A)(8).

(3) Members enrolled in any of the following types of health-insurance coverage are not eligible for premium assistance payments from MassHealth:

Health Savings Accounts;

(a) Medicare supplemental coverage, including Medigap and Medex coverage;

(b) Medicare Advantage coverage;

(c) Medicare Part D coverage;

(d) Qualified Health Plans (QHP) with Premium Tax Credits; and

(e) Unsubsidized Qualified Health Plans which are adult only or family plans.

(4) The following MassHealth members are not eligible for any premium assistance payments from MassHealth:

(a) MassHealth members who have Medicare coverage;

(b) all nondisabled nonqualified -PRUCOL adults, as described in 130 CMR 505.005(D): *Eligibility Requirements for Adults and Young Adults Aged 19 and 20 Who Are Nonqualified PRUCOLs with Modified Adjusted Gross Income of the MassHealth MAGI Household at or below 300 Percent of the Federal Poverty Level*; and

(c) disabled nonqualified PRUCOL adults with MassHealth Disabled Adult household income above 100% of the FPL, as described in 130 CMR 505.005(F): *Eligibility Requirements for Disabled Adults Who Are Qualified Aliens Barred, Immigrants Lawfully Present, and Nonqualified PRUCOLs with Modified Adjusted Gross Income of the MassHealth Disabled Adult Household at or below 100 Percent of the Federal Poverty Level*.

~~(1) The MassHealth agency makes monthly payments toward the cost of employer-sponsored health insurance for members who meet the requirements of 130 CMR 505.005(B), (C), and (D). The MassHealth agency makes only one premium assistance payment per policy. The amount of the MassHealth agency's payment is based on the following information:~~

~~(a) the total cost of the member's health insurance premium;~~

~~(b) the employer share of the member's health insurance premium; and~~

~~(c) the MassHealth estimated member share of the health insurance premium.~~

~~(2) Premium assistance payments are made directly each month to the policyholder for members meeting the requirements of 130 CMR 505.005(B) and (D), except as provided in 130 CMR 506.012(A)(3). Proof of health insurance premium payments may be required.~~

~~(3) Members meeting the requirements of 130 CMR 505.005(C), as well as members meeting the requirements of 130 CMR 505.005(B) and (D) whose employer-sponsored health insurance is from a qualified employer, have premium assistance payments made monthly on their behalf to either their employer or their health insurance carrier. The qualified employer must reduce the member's payroll deduction by the amount of the premium assistance payment.~~

~~(4) Members whose premium assistance amount changes as the result of a reported change or any adjustment in the premium assistance payment formula receive the new premium assistance payment beginning with the calendar month following the reported change.~~

~~(5) Members who become eligible for a different coverage type receive their final premium assistance payment in the calendar month in which the coverage type changes. The MassHealth agency may continue to pay the health insurance premiums of certain members in accordance with 130 CMR 507.003 if it determines it is cost effective to do so.~~

~~(6) Members who are American Indians or Alaska Natives, as defined in 130 CMR 501.001, receive premium assistance payments totaling the full employee share, to the extent that it is cost effective for the MassHealth agency. If it is not cost effective for the MassHealth agency, these members may choose to accept a premium assistance amount that is lower than the full employee share, or they may choose to enroll in the purchase of medical benefits under MassHealth Family Assistance.~~

~~(B) Voluntary Withdrawal. If a member voluntarily withdraws, the MassHealth premium assistance payments end.~~

~~(C) Change in Premium Assistance Calculation. The premium assistance amount is recalculated when the MassHealth agency is informed of changes in family group size, health insurance premium, employer contribution, and whenever an adjustment is made in the premium assistance payment formula.~~

Trans. by E.L. ~~148-DR~~

**MASSHEALTH
FINANCIAL REQUIREMENTS**

Rev. ~~07/01/06DR~~

Chapter 506
Page 506.012
(2 of 5)

~~(D) The Monthly Premium Assistance Payment Formula for Children. The premium assistance payment calculation in 130 CMR 506.012(D) provides a formula for determining the MassHealth premium assistance payment amount for children, and the monthly amount members are required to pay towards their health insurance premiums.~~

~~(1) Actual Premium Assistance Payment Amount. The actual premium assistance payment amount is calculated by using the following formula.~~

~~(a) The estimated premium assistance payment amount is first determined by subtracting the employer share of the policyholder's health insurance premium and the MassHealth estimated member share of the health insurance premium from the total cost of the health insurance premium. The estimated member share is described below:~~

% of Federal Poverty Level (FPL)	Estimated Member Share
Above 150% to 200%	\$12 per child (\$36 per family group maximum)
Above 200% to 250%	\$20 per child (\$60 per family group maximum)
Above 250% to 300%	\$28 per child (\$84 per family group maximum)

~~(b) The resulting estimated premium assistance payment amount is then compared to the cost effective amount, as described below:~~

~~(i) if the family member is employed by a small employer as described at 130 CMR 501.001, the estimated premium assistance payment amount is compared to the cost effective amount, which is the MassHealth agency's cost of covering the family group members who are beneficiaries of the insurance; or~~

~~(ii) if the family member is employed by a large employer as described at 130 CMR 501.001, the estimated premium assistance payment amount is compared to the cost effective amount, which is the MassHealth agency's cost of covering MassHealth eligible children who would be covered by the insurance.~~

~~(c) If the estimated premium assistance payment amount is less than the cost-effective amount, then the MassHealth agency sets the actual premium assistance payment amount at the estimated premium assistance payment amount.~~

~~(d) If the estimated premium assistance payment amount is equal to or greater than the cost effective amount, then the MassHealth agency sets the actual premium assistance payment amount at the cost effective amount.~~

~~(2) Member Assignment. If the MassHealth agency determines that a policyholder's share of the health insurance premium including any remaining premium, as described in 130 CMR 506.012 (D)(3)(b), would exceed five percent of the family group's gross income, the member must enroll in the purchase of medical benefits under MassHealth Family Assistance. This assignment is limited to those uninsured members who have access to health insurance.~~

~~(D) Required Member Contribution. The calculation of the MassHealth required member contribution is as follows.~~

~~(1) MassHealth may require that a member contribute towards the cost of their health-insurance coverage. MassHealth refers to this amount as the MassHealth required member~~

contribution. The MassHealth required member contribution is based on MassHealth MAGI household income and size and/or the MassHealth Disabled Adult household income and seize, as described in 130 CMR 506.002 and 506.003, as it relates to federal poverty guidelines and PBFG rules described at 130 CMR 506.011(A).

(2) The following members are responsible for a required member contribution.

(a) MassHealth CommonHealth premium-assistance eligible members who have MassHealth MAGI household income or MassHealth Disabled Adult household income greater than 150 percent of the FPL have the following required member contribution amounts.

(i) The required member contribution formula for children under age 19 with household MAGI between 150 and 300 percent of the FPL is provided below.

<u>CommonHealth Required Member Contribution Formula</u> <u>Children between 150% and 300% FPL</u>	
<u>% of Federal Poverty Level (FPL)</u>	<u>Estimated Member Share</u>
<u>Above 150% to 200%</u>	<u>\$12 per child (\$36 per family group (PBFG?) maximum)</u>
<u>Above 200% to 250%</u>	<u>\$20 per child (\$60 per family group PBFG maximum)</u>
<u>Above 250% to 300%</u>	<u>\$28 per child (\$84 per family group PBFG maximum)</u>

(ii) The required member contribution for adults with household MAGI above 150 percent of the FPL and children with household MAGI above 300 percent of the FPL is provided below.

<u>CommonHealth Required Member Formula</u> <u>Adults above 150% FPL and Children above 300%FPL</u>		
<u>Base Premium</u>	<u>Additional Premium Cost</u>	<u>Range of Premium Cost</u>
<u>Above 150% FPL— start at \$15</u>	<u>Add \$5 for each additional 10% FPL until 200% FPL</u>	<u>\$15 — \$35</u>
<u>Above 200% FPL— start at \$40</u>	<u>Add \$8 for each additional 10% FPL until 400% FPL</u>	<u>\$40 — \$192</u>
<u>Above 400% FPL— start at \$202</u>	<u>Add \$10 for each additional 10% FPL until 600% FPL</u>	<u>\$202 — \$392</u>
<u>Above 600% FPL— start at \$404</u>	<u>Add \$12 for each additional 10% FPL until 800% FPL</u>	<u>\$404 — \$632</u>
<u>Above 800% FPL— start at \$646</u>	<u>Add \$14 for each additional 10% FPL until 1000%</u>	<u>\$646 — \$912</u>
<u>Above 1000% FPL— start at \$928</u>	<u>Add \$16 for each additional 10% FPL</u>	<u>\$928 + greater</u>

(iii) CommonHealth members who are eligible to receive a premium assistance payment as described in 130 CMR 506.012 that is less than the CommonHealth required member contribution receive their premium assistance payment as an offset to the CommonHealth monthly premium bill and are responsible for the difference.

(b) The required member contribution formula for MassHealth Family Assistance premium assistance eligible children, as described in 130 CMR 505.005 (B): *Eligibility Requirements for Children with Modified Adjusted Gross Income of the MassHealth MAGI Household Greater than 150 Percent and Less than or Equal to 300 Percent of the Federal Poverty Level*, whose household MAGI is between 150 percent and 300 percent of the FPL is below.

<u>Family Assistance Member Contribution for Children Required Member Contribution Formula</u>	
<u>% of Federal Poverty Level (FPL)</u>	<u>Member Monthly Contribution Amount</u>
<u>Above 150% to 200%</u>	<u>\$12 per child (\$36 PBFG maximum)</u>
<u>Above 200% to 250%</u>	<u>\$20 per child (\$60 PBFG maximum)</u>
<u>Above 250% to 300%</u>	<u>\$28 per child (\$84 PBFG maximum)</u>

(c) The required member contribution formula for MassHealth Family Assistance premium assistance for HIV-positive adults, as described in 130 CMR 505.005(E): *Eligibility Requirements for HIV-Positive Individuals Who Are Citizens or Qualified Aliens with Modified Adjusted Gross Income of the MassHealth MAGI Household Greater than 133 and Less than or Equal to 200 Percent of the Federal Poverty Level* is below.

<u>Family Assistance for HIV+ Adults Member Contribution Formula</u>	
<u>% of Federal Poverty Level (FPL)</u>	<u>Member Monthly Contribution Amount</u>
<u>Above 150% to 160%</u>	<u>\$15</u>
<u>Above 160% to 170%</u>	<u>\$20</u>
<u>Above 170% to 180%</u>	<u>\$25</u>
<u>Above 180% to 190%</u>	<u>\$30</u>
<u>Above 190% to 200%</u>	<u>\$35</u>

- (4) The following members do not have a required member contribution:
- (a) MassHealth Standard premium assistance eligible members described at 130 CMR 505.002: *MassHealth Standard*;
 - (b) MassHealth CommonHealth premium assistance eligible members, as described in 130 CMR 505.004: *MassHealth CommonHealth*, who have household MAGI at or below 150 percent of the FPL;
 - (c) MassHealth CarePlus premium assistance eligible members, as described in 130 CMR 505.008: *MassHealth CarePlus*;
 - (d) MassHealth Family Assistance premium assistance eligible members, as described in 130 CMR 505.005(B): *Eligibility Requirements for Children with Modified Adjusted Gross Income of the MassHealth MAGI Household Greater than 150 Percent and Less than or Equal to 300 Percent of the Federal Poverty Level*, who household MAGI is at or below 150 percent of the FPL; and
 - (e) MassHealth members who have verified that they are American Indians or Alaska Natives who have received or are eligible to receive an item or service furnished by the Indian Health Service, an Indian tribe, a tribal organization, or an urban Indian organization, or by a non-Indian health-care provider through referral, in accordance with federal law. These members receive premium assistance payments totaling the full employee share, to the extent that it is cost effective for the MassHealth agency. If it is not cost effective for the MassHealth agency, these members may choose to accept a premium assistance amount that is lower than the full-employee share or they may choose to enroll in direct coverage under MassHealth Family Assistance.

Trans. by E.L. ~~448-DR~~

**MASSHEALTH
FINANCIAL REQUIREMENTS**

Rev. ~~07/01/06DR~~

Chapter 506
Page 506.012
(3 of 5)

(E) MassHealth Premium Assistance Payment Amount Calculation.

(1) Formulas. MassHealth uses two formulas to calculate the premium assistance payments. The formulas are based on the category of assistance a member is enrolled in.

(a) The monthly premium assistance formula for ESI 50% Plans is described in 130 CMR 506.012(E)(2).

(b) The monthly premium assistance formula for Other Group Insurance Plans is described in 130 CMR 506.012(E)(3).

(2) MassHealth Premium Assistance Payment Amount Calculation — ESI 50% Plans.

(a) In order to determine the actual premium assistance payment amount, MassHealth must review and compare the estimated premium assistance payment amount and the cost-effective amount. The estimated premium assistance payment amount and cost-effective amount are compared to calculate the actual premium assistance payment amount.

(i) Calculation of Estimated Premium. The estimated premium assistance payment amount is calculated by subtracting the employer share of the policyholder's health-insurance premium and the MassHealth required member contribution of the health-insurance premium, as described in 130 CMR 506.012(D), from the total cost of the health-insurance premium.

(ii) The ESI 50% Plans cost-effective amount is the MassHealth agency's cost of providing direct MassHealth benefits to the premium billing family group (PBFG) who are beneficiaries of the ESI.

(b) Comparison of Payment Amounts. MassHealth compares the estimated premium assistance payment amount and cost-effective amount to determine the actual premium assistance payment amount.

(i) If the estimated premium assistance payment amount is less than the cost-effective amount, the MassHealth agency sets the actual premium assistance payment amount at the estimated premium assistance payment amount.

(ii) If the estimated premium assistance payment amount is equal to or greater than the cost-effective amount, the MassHealth agency sets the actual premium assistance payment amount at the cost-effective amount. The policy holder is responsible for payment of the remainder of the health-insurance premium, if any.

(c) Example. A parent and two children apply for MassHealth. The two children are eligible for MassHealth, but the parent is not eligible. Their health insurance is an ESI 50% plan.

(i) The total monthly cost of the health-insurance premium = S.

(ii) The employer's monthly share of the health-insurance premium = T.

(iii) The MassHealth estimated member share of the monthly health-insurance premium = U.

(iv) Calculating the estimated premium assistance payment amount:

S = (total cost of premium)

- T = (employer's share of the cost)

V = (employee's share of the cost)

- U = (the MassHealth estimated member share of the cost)

W = (estimated premium assistance payment amount)

ESI 50% Plans cost-effective amount: W is compared to the MassHealth cost of covering the three individuals (X).

If W is less than X, the MassHealth agency sets the actual premium assistance

payment amount at W.

If W is equal to or greater than X, the MassHealth agency sets the actual premium assistance payment amount at X.

(3) MassHealth Premium Assistance Payment Amount Calculation — Other Group Insurance Plans.

(a) In order to determine the actual premium assistance payment amount, MassHealth must review and compare the estimated premium assistance payment amount and the cost-effective amount. The estimated premium assistance payment amount and cost-effective amount are compared to calculate the actual premium assistance payment amount.

(i) Calculation of Estimated Premium. The estimated premium assistance payment amount is calculated by subtracting both the MassHealth required member contribution, as described in 130 CMR 506.012(D), and any contribution amount from an employer a person covered by this plan is eligible for from the total cost of the health-insurance premium.

(ii) The Other Group Insurance Plans cost-effective amount is the MassHealth agency's cost of covering MassHealth-eligible premium billing family group (PBFG) who are beneficiaries of the Other Group Insurance Plan.

(b) Comparison of Payment Amounts. MassHealth compares the estimated premium assistance payment amount and cost-effective amount to determine the actual premium assistance payment amount.

(i) If the estimated premium assistance payment amount is less than the cost-effective amount, the MassHealth agency sets the actual premium assistance payment amount at the estimated premium assistance payment amount.

(ii) If the estimated premium assistance payment amount is equal to or greater than the cost-effective amount, the MassHealth agency sets the actual premium assistance payment amount at the cost-effective amount. The policy holder is responsible for payment of the remainder of the health-insurance premium, if any.

(c) Example. A parent and two children apply for MassHealth. The two children are eligible for MassHealth, but the parent is not eligible. Their health insurance falls into Other Group Insurance Plans.

(i) The total monthly cost of the health-insurance premium = S.

(ii) The monthly contribution amount for an employer that a person covered by this plan is eligible for = T.

(iii) The MassHealth required member contribution toward the monthly health-insurance premium = U.

(iv) Calculating the estimated premium assistance payment amount:

S = (total cost of premium)

- T = (monthly contribution from an employer)

V = (employee's share of the cost)

- U = (the MassHealth estimated member share of the cost)

W = (estimated premium assistance payment amount)

Other Group Insurance Plans cost-effective amount: W is compared to the cost of covering only those MassHealth eligible individuals = Z.

If W is less than Z, the MassHealth agency sets the actual premium assistance payment amount at W.

If W is equal to or greater than Z, the MassHealth agency sets the actual premium assistance payment amount at Z.

(F) MassHealth Premium Payment Administration.

(1) Premium Assistance Payments.

(a) The MassHealth agency makes only one premium assistance payment per policy.

- (b) Premium assistance payments are made directly each month to the policyholder.
- (c) Proof of health-insurance premium payments may be required.
- (d) Premium assistance payments begin in the month of the MassHealth eligibility determination or in the month that health-insurance deductions begin, whichever is later.
- (e) Each monthly premium assistance payment is for health-insurance coverage in the following month.
- (f) MassHealth reviews the cost effectiveness of the member's health insurance at least once every 12 months.

(2) Change in Premium Assistance Calculation.

- (a) The premium assistance amount is recalculated when the MassHealth agency is informed of changes in the federal poverty level, health-insurance premium, employer contribution, and whenever an adjustment is made in the premium assistance payment formula.
- (b) Members whose premium assistance amount changes as the result of a reported change or any adjustment in the premium assistance payment formula receive the new premium assistance payment beginning with the calendar month following the reported change.

(3) Termination of Premium Assistance Payments.

- (a) If a member's health insurance terminates for any reason, the MassHealth premium assistance payments end.
- (b) If there is a change in the services covered under the policy that affects the Basic Benefit Level (BBL) requirements, the premium assistance payments end.
- (c) Members who become eligible for a different coverage type in which they are not eligible to receive a premium assistance benefit receive their final premium assistance payment in the calendar month in which the coverage type changes.
- (d) If a member voluntarily withdraws his or her MassHealth application for benefits, the MassHealth premium assistance payments end.

~~(3) Estimated Member Share of Premium.~~

~~(a) Families are responsible for paying toward the cost of covering their Family Assistance-eligible children under their employer-sponsored health insurance, as described in 130 CMR 506.012(D)(1)(a).~~

~~(b) If the actual premium assistance payment amount is set at the cost-effective amount, the family is also responsible for payment of the remainder of the health insurance premium, which is the difference between the estimated premium assistance payment and the cost-effective amount. The additional premium payment responsibility reflects coverage of additional family members who are not eligible for Family Assistance.~~

~~(4) Example. A parent and two children apply for MassHealth. Their family group gross monthly income exceeds 150 percent, but is no greater than 200 percent of the federal poverty level based on a family of three. The parent works for a small employer.~~

~~(a) The total monthly cost of the health insurance premium = S.~~

~~(b) The employer's monthly share of the health insurance premium = T.~~

~~(c) The MassHealth-estimated member share of the monthly health insurance premium = U. (See 130 CMR 506.012(D)(1)(a).)~~

~~(d) Calculation~~

~~(i) Calculating the estimated premium assistance payment amount:~~

~~_____ S = (total cost of premium)~~
~~_____ T = (employer's share of the cost)~~
~~_____ V = (employee's share of the cost)~~

~~—U = (the MassHealth estimated member share of the cost)~~

~~—W = (estimated premium assistance payment amount)~~

~~(ii) Small employer cost effective test: W is compared to the MassHealth cost of covering the three family group members as follows:~~

~~X = the MassHealth monthly cost of covering members~~

~~X x 3 members = Y (the MassHealth monthly cost effective amount)~~

~~If W is less than Y, the MassHealth agency sets the actual premium assistance payment amount at W.~~

~~If W is equal to or greater than Y, the MassHealth agency sets the premium assistance payment amount at Y.~~

Trans. by E.L. ~~164DR~~MASSHEALTH
FINANCIAL REQUIREMENTSChapter 506
Page 506.012
(4 of 5)Rev. ~~10/01/06DR~~

~~(iii) Large employer cost effective test: If the parent works for a large employer, then W is compared to the cost of covering only the children in the family group under MassHealth.~~

~~$X \times 2 \text{ children} = Z$ (the MassHealth monthly cost effective amount)~~

~~If W is less than Z, the MassHealth agency sets the actual premium assistance payment amount at W.~~

~~If W is equal to or greater than Z, the MassHealth agency sets the premium assistance payment amount at Z.~~

~~(E) The Monthly Premium Assistance Payment Formula for Adults. The premium assistance payment calculation in 130 CMR 506.012(E) provides a formula for determining the MassHealth premium assistance payment amount for adults who are employed by qualified employers, and the monthly amount members are required to pay toward their health insurance premiums. Adults whose children receive premium assistance in accordance with 130 CMR 505.005(B) or (D), or Health Insurance Premium Program (HIPP) payments in accordance with 130 CMR 507.003 have their premium assistance payments determined in accordance with 130 CMR 506.012(D).~~

~~(1) Actual Premium Assistance Payment Amount. The actual premium assistance payment amount is calculated by using the following formula:~~

~~(a) The estimated premium assistance payment amount is first determined by subtracting the employer share of the policyholder's health insurance premium and the MassHealth estimated member share of the health insurance premium from the total cost of the health insurance premium. The estimated member share is then determined in accordance with 130 CMR 506.012(E)(2)(a)(i).~~

~~(b) The resulting estimated premium assistance payment amount is then compared to the maximum contribution amount, which is the maximum amount the MassHealth agency pays per insured adult toward employer-sponsored health insurance.~~

~~(c) If the estimated premium assistance payment amount is less than the maximum contribution amount, then the MassHealth agency sets the actual premium assistance payment amount at the estimated premium assistance payment amount.~~

~~(d) If the estimated premium assistance payment amount is equal to or greater than the maximum contribution amount, then the MassHealth agency sets the actual premium assistance payment amount at the maximum contribution amount.~~

Trans. by E.L. ~~474~~DRMASSHEALTH
FINANCIAL REQUIREMENTSChapter 506
Page 506.012
(5 of 5)Rev. ~~07/01/07~~DR~~(2) Estimated Member Share of Premium.~~

~~(a) The monthly premium amount for which premium assistance adults are responsible is determined as follows. These premium amounts apply except when a covered adult is eligible for MassHealth Standard or CommonHealth. Covered adults eligible for MassHealth Standard or CommonHealth are assessed a member share according to 130 CMR 506.011(I).~~

MEMBER SHARE OF PREMIUM	
% of Federal Poverty Level (FPL)	Premium Cost
Above 150% to 200%	\$27 per covered adult in the family group
Above 200% to 250%	\$53 per covered adult in the family group
Above 250% to 300%	\$80 per covered adult in the family group

~~(b) If the actual premium assistance payment amount is set at the maximum contribution amount, the member is responsible for payment of the remainder of the health insurance premium, which is the difference between the estimated premium assistance payment and the maximum contribution amount.~~

~~(3) Maximum Contribution Amount. The maximum contribution amount is the maximum amount, as determined by the MassHealth agency, that the MassHealth agency contributes per insured adult toward the policyholder's share of the health insurance premium when the health insurance plan is offered through a MassHealth approved billing and enrollment intermediary, or the Insurance Partnership agent.~~

~~(F) Calculation of Monthly Premium Amount for Adults Who Are HIV Positive. The formula for HIV positive adults who are described in 130 CMR 505.005(D) is the same as the formula described at 130 CMR 506.012(E) except that the estimated member share is the same as the premium described at 130 CMR 506.011(I)(1). The maximum contribution amount is the maximum amount that the MassHealth agency contributes per insured adult who is HIV positive.~~

~~(G) Termination of Health Insurance. If a member's health insurance terminates for any reason, the MassHealth premium assistance payments end.~~

Trans. by E.L. **206DR**

**MASSHEALTH
FINANCIAL REQUIREMENTS**

**Chapter 506
Page 506.013**

Rev. **01/01/12DR**506.013: MassHealth Small Business Employee (SBE) Premium Assistance Program

(A) Introduction. 130 CMR 506.013 describes the rules and requirements for the Small Business Employee (SBE) Premium Assistance Program eligibility and the payment calculation for individuals who are eligible for this program, as described at 130 CMR 505.009: *MassHealth Small Business Employee Premium Assistance*.

(B) Premium Assistance Eligibility Criteria. MassHealth provides a premium assistance payment to eligible individuals as described at 130 CMR 505.009: *MassHealth Small Business Employee Premium Assistance* if such individuals have access to an employer-sponsored health insurance (ESI) that meets all of the following criteria.

- (1) The ESI meets the Basic Benefit Level (BBL), as described at 130 CMR 501.001: *Definition of Terms*.
- (2) The ESI policy holder is in the premium billing family group (PBFG).
- (3) At least one person covered by the ESI policy is eligible for MassHealth SBE Premium Assistance benefits, as described in 130 CMR 505.009: *MassHealth Small Business Employee Premium Assistance*.
- (4) The ESI is from an employer that offers an individual health-insurance plan to the employee for which the employee contribution costs more than the Health Connector affordability schedule as defined at 956 CMR 6.05 but less than 9.5% of the MassHealth MAGI income.
- (5) The ESI does not cover any individuals who are eligible for or receiving a MassHealth premium assistance payment as described in 130 CMR 506.012.
- (6) Effective January 1, 2015, the ESI is a small group health insurance plan purchased by the individual's employer through the Health Connector.

(A)(C) Required Member Contribution. For individuals eligible for the MassHealth SBE Premium Assistance Program, as described in 130 CMR 505.009: *MassHealth Small Business Employee Premium Assistance*, whose household MassHealth MAGI income is between 133 percent and 300 percent of the federal poverty level (FPL) the required member contribution can be found at 956 CMR 12.00.

Small Business Employee Premium Assistance for Adults	
Required Member Contribution Formula	
% of Federal Poverty Level (FPL)	Member Monthly Contribution Amount
Above 150% to 200%	\$40 per adult
Above 200% to 250%	\$78 per adult
Above 250% to 300%	\$118 per adult

(D) MassHealth SBE Premium Assistance Payment Amount Calculations.

- (1) Calculation of Estimated Premium. MassHealth compares the estimated premium assistance payment amount and the maximum premium assistance amount to calculate the actual premium assistance amount.
 - (a) The estimated premium assistance payment amount is calculated by subtracting the employer share of the policyholder's health-insurance premium and the MassHealth required member contribution of the health-insurance premium, as described in 130 CMR 506.013(C), from the total cost of the health-insurance premium.
 - (b) The SBE maximum premium assistance amount is \$150 per adult covered by the employer-sponsored plan in the PBFG and cannot exceed two adults.
- (2) Comparison of Payment Amounts. MassHealth compares the estimated premium

assistance payment amount and the SBE maximum premium assistance amount and uses the following formula to determine the actual premium assistance payment amount.

(a) If the estimated premium assistance payment amount is less than the SBE maximum premium assistance amount, the MassHealth agency sets the actual premium assistance payment amount at the estimated premium assistance payment amount.

(b) If the estimated premium assistance payment amount is equal to or greater than the SBE maximum premium assistance amount, the MassHealth agency sets the actual premium assistance payment amount at the SBE maximum premium assistance amount. The policy holder is responsible for payment of the remainder of the health-insurance premium, if any.

(3) Example. An adult applies for MassHealth and is determined eligible for SBE premium assistance. The adult has access to employer-sponsored insurance (ESI) that meets the requirements set out in 130 CMR 506.013(B). The adult has enrolled in ESI coverage from the employer.

(a) The total monthly cost of the health-insurance premium = S.

(b) The monthly contribution amount for an employer that a person covered by this plan is eligible for = T.

(c) The MassHealth required member contribution toward the monthly health-insurance premium = U.

(d) Calculating the estimated premium assistance payment amount:

S = (total cost of premium)

- T = (employer's share of the cost)

V = (employee's share of the cost)

- U = (the MassHealth SBE required member contribution)

W = (estimated premium assistance payment amount)

SBE premium assistance maximum contribution amount: X = \$150 times the number of adults covered by the employer-sponsored plan in the PBFG, not to exceed two adults.

Actual SBE premium assistance amount: W is compared to X.

If W is less than X, the MassHealth agency sets the actual premium assistance payment amount at W.

If W is equal to or greater than X, the MassHealth agency sets the actual premium assistance payment amount at X.

(E) MassHealth SBE Premium Payment Administration.

(1) SBE Premium Assistance Payments.

(a) The MassHealth agency makes only one SBE premium assistance payment per policy.

(b) SBE premium assistance payments are made directly each month to the policyholder.

(c) Proof of health-insurance premium payments may be required.

(d) SBE premium assistance payments begin in the month of the MassHealth eligibility determination or in the month that health-insurance deductions begin, whichever is later.

(e) Each monthly SBE premium assistance payment is for health-insurance coverage in the following month.

(f) MassHealth reviews the SBE maximum contribution amount and the cost of the member's health insurance at least once every 12 months.

(2) Change in SBE Premium Assistance Calculation.

(a) The SBE premium assistance amount is recalculated when the MassHealth agency is informed of changes in the federal poverty level, health-insurance premium, employer contribution, and whenever an adjustment is made in the premium assistance payment formula.

(b) Members whose SBE premium assistance amount changes as the result of a reported

change or any adjustment in the SBE premium assistance payment formula receive the new SBE premium assistance payment beginning with the calendar month following the reported change.

(3) Termination of Premium Assistance Payments.

(a) If a member's health insurance terminates for any reason, the MassHealth SBE premium assistance payments end.

(b) If there is a change in the services covered under the policy such that the policy no longer meets the BBL requirements, the SBE premium assistance payments end.

(c) Members who become eligible for a different coverage type in which they are not eligible to receive an SBE premium assistance benefit receive their final SBE premium assistance payment in the calendar month in which the coverage type changes.

(d) If a member voluntarily withdraws his or her MassHealth application for benefits, the MassHealth SBE premium assistance payments end.

~~506.013~~506.014: Copayments Required by MassHealth

The MassHealth agency requires its members to make the copayments described in 130 CMR ~~506.015~~506.016, up to the ~~calendar year~~ maximum described in 130 CMR ~~506.017~~506.018, except as excluded in 130 CMR ~~506.014~~506.015. If the usual-and-customary fee for the service or product is less than the copayment amount, the member must pay the amount of the service or product, providing that this amount shall be no greater than the MassHealth payment minus one cent.

~~506.014~~506.015: Copayment and Cost Sharing Requirement Exclusions

(A) Excluded Individuals.

(1) The following individuals do not have to pay the copayments described in 130 CMR ~~506.015~~506.016:

(a) members under ~~21~~ 19-years of age;

(b) members who are pregnant or in the postpartum period that extends through the last day of the second calendar month following the month in which their pregnancy ends (for example, if the woman gave birth May 15, she is exempt from the copayment requirement until August 1);

(c) MassHealth Limited members;

(d) MassHealth Senior Buy-In members or MassHealth Standard members for drugs covered under Medicare Parts A and B only, when provided by a Medicare-certified provider;

(e) members who are inpatients in nursing facilities, chronic-disease or rehabilitation hospitals, or intermediate-care facilities for the mentally retarded or who are admitted to a hospital from such a facility or hospital;

(f) members receiving hospice services;

(g) persons receiving medical services through the Emergency Aid to the Elderly, Disabled and Children Program pursuant to 130 CMR 450.106: Emergency Aid to the Elderly, Disabled and Children Program, if they do not receive ~~MassHealth Basic~~, MassHealth Standard, MassHealth CarePlus, or MassHealth ~~Essential Family Assistance~~;

(h) members who are independent foster care adolescents who were in the care and custody of the Department of Children and Families on their 18th birthday and who are eligible for MassHealth Standard until they reach age 26 for citizens and qualified aliens and age 21 for lawfully present immigrants; and

(i) members who are American Indians or Alaska Natives who are currently receiving or have ever received an item or service furnished by the Indian Health Service, an Indian tribe, a tribal organization, or an urban Indian organization, or through referral, in accordance with federal law.

(2) Members who have accumulated copayment charges totaling the ~~calendar year maximum of \$250 not to exceed 5% of income maximum of \$250 per calendar year or 5% per quarter~~ on pharmacy services do not have to pay further MassHealth copayments on pharmacy services during the calendar year in which the member reached the MassHealth copayment maximum for pharmacy services.

(3) Members who have accumulated copayment charges totaling the ~~calendar year maximum~~

~~of \$36~~maximum of \$36 per calendar year or 5% per quarter on nonpharmacy services do not have to pay further MassHealth copayments on nonpharmacy services during the calendar year in which the member reached the MassHealth copayment maximum for nonpharmacy services.

(4) Members who have other comprehensive medical insurance, including Medicare, do not have to pay MassHealth copayments on nonpharmacy services.

(5) Members who are inpatients in a hospital do not have to pay a separate copayment for pharmacy services provided as part of the hospital stay.

Trans. by E.L. ~~206DR~~

**MASSHEALTH
FINANCIAL REQUIREMENTS**

**Chapter 506
Page 506.015**

Rev. ~~01/01/12DR~~

(B) Excluded Services. The following services are excluded from the copayment requirement described in 130 CMR ~~506.015~~506.016:

- (1) family planning services and supplies such as oral contraceptives, contraceptive devices, such as diaphragms and condoms, and contraceptive jellies, creams, foams, and suppositories;
- (2) nonpharmacy behavioral-health services; ~~and~~
- (3) emergency services; ~~and~~
- (4) provider-preventable services as defined in 42 CFR 447.26(b).

~~506.015~~506.016: Services Subject to Copayments

MassHealth members are responsible for making the following copayments unless excluded in 130 CMR ~~506.014~~506.015.

(A) Pharmacy Services. The copayment for pharmacy services is

- (1) \$1 for each prescription and refill for each generic drug and over-the-counter drug covered by the MassHealth agency in the following drug classes: antihyperglycemics, antihypertensives, and antihyperlipidemics; and
- (2) \$3.65 for each prescription and refill for all other generic and over-the-counter drugs, and all brand-name drugs covered by the MassHealth agency.

(B) Nonpharmacy Services. The copayment for nonpharmacy services is \$3 for an acute inpatient hospital stay.

~~506.016~~506.017: Members Unable to Pay Copayment

Providers may not refuse services to a member who is unable to pay at the time the service is provided. However, the member remains liable to the provider for the copayment amount.

~~506.017~~506.018: ~~Calendar Year~~Maximum Cost Sharing

Members are responsible for the MassHealth copayments described in 130 CMR 450.130(B): *Services Subject to Copayments*, up to the following maximums:

- (A) \$250 for pharmacy services per calendar year;
- (B) \$36 for nonpharmacy services per calendar year; and
- (C) five percent of household income per quarter, including both copayments and any applicable premium payments.

~~Members are responsible for the MassHealth copayments described in 130 CMR 506.015~~506.016, ~~up to the following calendar year maximums:~~

- ~~(A) \$250 for pharmacy services; and~~
- ~~(B) \$36 for nonpharmacy services.~~

506.019: Family Assistance Premium Plus CaAPp

(A) Copays, Coinsurance, and Deductibles. The MassHealth agency pays copays, coinsurance, and deductibles for children eligible for Family Assistance Premium Assistance as described in 130 CMR 505.005 (B)(2)(b)(i) provided:

(1) the MassHealth agency has made a determination that the member was uninsured at the time of the eligibility determination, had access to employer-sponsored health insurance, and the MassHealth agency required the member's enrollment in the health insurance plan; and

(2) the policyholder's annualized share of the employer-sponsored health insurance premium, combined with copays, coinsurance, and deductibles incurred and paid by members, exceeds five percent of the MAGI of the child with the lowest federal poverty level in the PBFG in a 12-month period beginning with the date of eligibility for premium assistance. In such cases, the MassHealth agency pays for any copays, coinsurance, or deductibles incurred by the members during the balance of the 12-month period provided they have submitted proof of payment of bills equal to or exceeding five percent of the MAGI of the child with the lowest federal poverty level in the PBFG. Proof of payment may be submitted during or after the 12-month period, but no later than six months after the 12-month period ends. The 5% CAP will be recalculated when there is any circumstance that changes the MAGI of the child with the lowest federal poverty level in the PBFG.